

Message Text

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ACTION EB-08

INFO OCT-01 EA-10 IO-13 ISO-00 AGRE-00 CIAE-00 COME-00

INR-10 LAB-04 NSAE-00 SP-02 STR-07 TRSE-00 FRB-03

OMB-01 PA-01 USIA-06 L-03 H-01 /070 W

-----085986 130359Z /63

R 130245Z MAR 78

FM AMEMBASSY MANILA

TO SECSTATE WASHDC 2798

INFO USMISSION GENEVA

LIMITED OFFICIAL USE MANILA 3957

GENEVA FOR PHELAN

E.O. 11652: NA

TAGS: ETRD, US, RP

SUBJECT: TEXTILES: U.S. PHILIPPINE BILATERAL TEXTILE AGREEMENT
ANOMALIES IN TEXTILE QUOTA ALLOCATION

1. ON MARCH 9, LOCAL NEWSPAPER, BUSINESS DAY, PUBLISHED AN ARTICLE BASED ON INFORMATION PROVIDED BY "A TOP DEPARTMENT OF TRADE (DOT) OFFICIAL" WHO SPECIFIED THAT HIS DEPARTMENT WAS LAUNCHING "AN INVESTIGATION INTO THE ALLEGEDLY ANOMALOUS ALLOCATIONS OF QUOTAS TO CERTAIN BIG EXPORTING FIRMS BY THE NOW DEFUNCT TEXTILE EXPORT BOARD (TEB)".

2. ANOTHER DOT OFFICIAL SAID THAT THE TEXTILE QUOTAS FOR EXPORTS TO THE US WERE BEING ISSUED BY PRIVATE BUSINESSMEN WHO HAD NO AUTHORITY TO DO SO. (COMMENT: THIS IS APPARENTLY A REFERENCE TO THE PARTICIPATION OF PRIVATE BUSINESSMEN IN THE TEB.) THE ARTICLE WENT ON TO SAY THAT THE OFFICIAL FURNISHED BUSINESS DAY A COPY OF ONE SUCH AUTHORIZATION TO A DOMESTIC FIRM TO EXPORT 1,500 DOZENS OF COTTON DENIM JEANS TO A HONG KONG BASED COMPANY, WHICH IN TURN WOULD SHIP THESE TO A BUYER IN THE U.S.

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3. THE DOT OFFICIAL ALSO POINTED OUT THAT UNDER TEB PROCEDURES, THE LARGE AND ESTABLISHED EXPORTING FIRMS HAD AN UNFAIR ADVANTAGE OVER SMALLER ENTERPRISES. THE OFFICIAL STATED THAT "THE BIG FIRMS WERE ALLOCATING FOR THEMSELVES OVER 80 PER CENT OF THE TOTAL. ONLY 20 PER CENT WAS LEFT AVAILABLE FOR THE SMALLER, MORE

NUMEROUS - AND PERHAPS EVEN MORE MERITORIOUS - EXPORTERS,"
THE ARTICLE NOTED THAT IRREGULARITIES IN THE TEB WERE AN
IMPORTANT REASON FOR PRESIDENT MARCOS' ISSUANCE OF
LETTER OF INSTRUCTIONS NO. 676 (SEE SEPTEL) DESIGNATING
THE DOT AS THE IMPLEMENTING AGENCY FOR ALL TEXTILE AND
GARMENT AGREEMENTS BETWEEN THE PHILIPPINES AND OTHER
COUNTRIES.

4. COMMENT: AT PRESENT, EMBASSY HAS BEEN UNABLE TO
DETERMINE WHETHER ALLEGATIONS OF QUESTIONABLE ALLOCATION
OF QUOTAS BY TEB ARE PRIMARILY A MANIFESTATION OF AN INTER-
GOVERNMENTAL POWER STRUGGLE OR WHETHER SERIOUS MALFEASANCE
WAS OCCURRING. EMBASSY WILL MONITOR INVESTIGATION WHEN AND
IF IT OCCURS.

NEWSOM

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NNN

Message Attributes

Automatic Decaptoning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: TEXTILES, AGREEMENTS
Control Number: n/a
Copy: SINGLE
Draft Date: 13 mar 1978
Decapton Date: 01 jan 1960
Decapton Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978MANILA03957
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780111-0148
Format: TEL
From: MANILA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780376/aaaacmfg.tel
Line Count: 77
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 8f4d74c8-c288-dd11-92da-001cc4696bcc
Office: ACTION EB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 02 may 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3353710
Secure: OPEN
Status: NATIVE
Subject: TEXTILES: U.S. PHILIPPINE BILATERAL TEXTILE AGREEMENT ANOMALIES IN TEXTILE QUOTA ALLOCATION
TAGS: ETRD, US, RP
To: STATE
Type: TE
vdkvgwkey: odbc://SAS/SAS.dbo.SAS_Docs/8f4d74c8-c288-dd11-92da-001cc4696bcc
Review Markings:
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